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NATIONAL INTELLIGENCE DAILY CABLE

Saturday 3 June 1978

CG NIDC 78/129C

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National Intelligence Daily Cable for Saturday, 3 June 1978.

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The NID Cable is for the purpose of informing senior US officials.

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NIGERIA: Obasanjo's Views on Zaire

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[ ] Nigerian Head of State Obasanjo told a Zairian envoy this week that his country opposes all foreign military intervention in Africa. Obasanjo also rejected the concept of an African peacekeeping force to deal with situations like that in Shaba--unless the force is under the control of the Organization of African Unity.

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[ ] Obasanjo told the Zairian envoy that Zaire should look for political and economic solutions to its Shaba problem because a military solution is not possible. He said Nigeria is willing to mediate.

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[ ] Nigeria recognizes--reluctantly--that African states have a right to invite foreign military assistance to help them preserve their territorial integrity. At the same time, Nigeria would prefer to keep superpower rivalries out of Africa and believes Africans should be left alone to work out their problems. Obasanjo told the Zairian envoy that his government opposes intervention in Africa by either the East or the West.

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[ ] Nigeria believes the USSR is a greater potential threat to Africa than Cuba, which it does not see as a surrogate for the USSR or as actively involved in the latest Shaba invasion. It also thinks the Cubans and the Soviets are lesser threats to African nationalism than the continuation of white minority rule in southern Africa. Nigerian leaders think Cuba could offer a positive force for change in southern Africa should Western settlement efforts there fail.

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[ ] Nigeria continues to accept the Soviet and Cuban presence in Angola because it sees this as vital to the consolidation of Angolan independence.

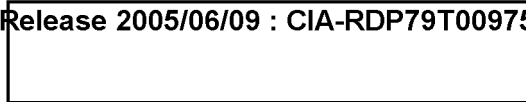
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[ ] Most Nigerians recognize, however, that Soviet and Cuban influence may not always be exerted for African causes that Nigeria supports. There are some signs that Nigerian policymakers are already beginning to be somewhat uneasy about the Cuban role on the continent. [ ]

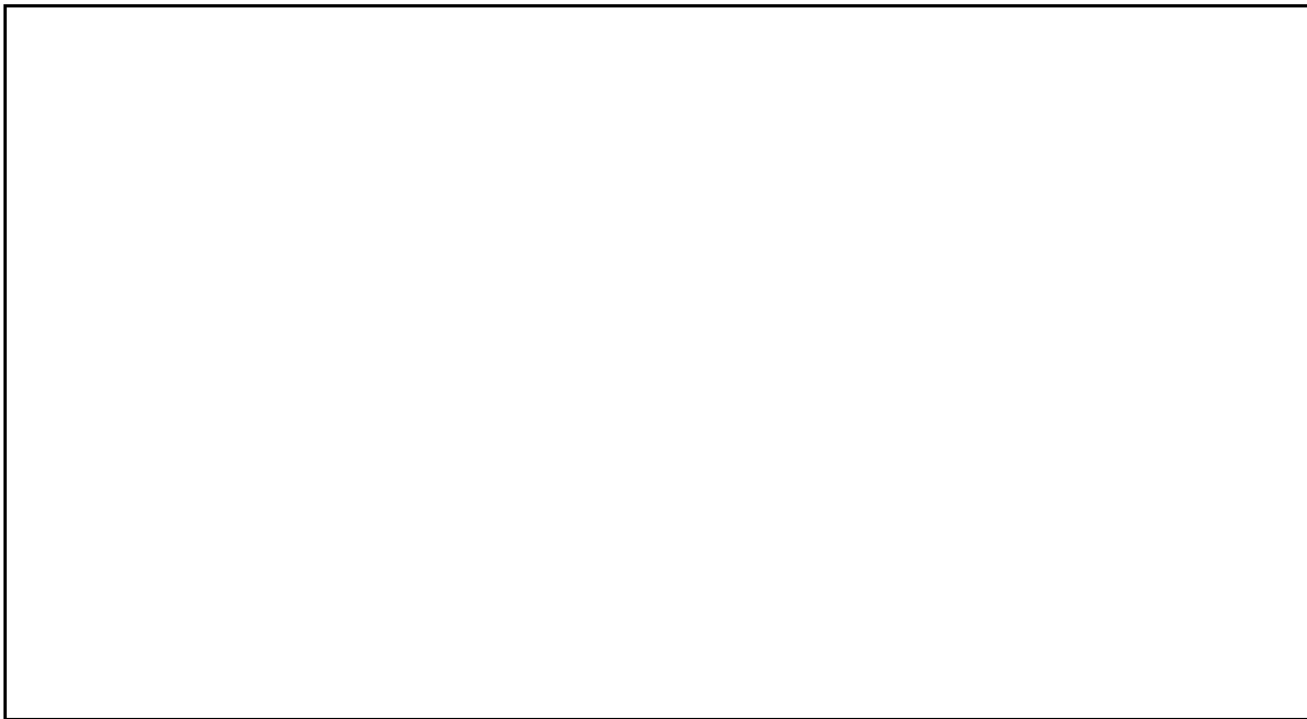
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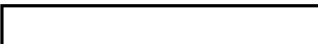


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CHAD-LIBYA: Military Situation

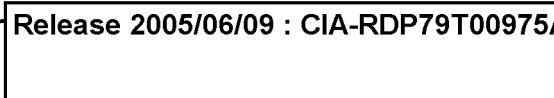
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 //French and Chadian forces this week achieved a major military victory over Libyan-backed Muslim rebels after two days of heavy fighting near Ati, a key city in the French defensive line. The government's victory--the second around Ati within a month--will strengthen its position at the Libyan-Chadian peace talks, which are scheduled to begin in Tripoli on Wednesday. There may, however, be additional rebel attacks before the meeting. Libya has apparently been delivering large amounts of military equipment and supplies to the rebels during the past several weeks.//

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 After learning that a rebel force of some 300 to 400 men had formed near Ati, the French decided on a preemptive strike in order to blunt the expected rebel assault on the city. The battle apparently began on Wednesday, when a joint French-Chadian ground force, supported by artillery and French Jaguar fighter-bombers, attacked a concentration of rebels at Djedaa, some 40 kilometers northeast of Ati. The French say that they killed about 150 rebels, and that only a few French and Chadian soldiers were wounded. The rebels shot down one French aircraft, but the pilot apparently parachuted to safety.

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25X1 [ ] The first significant government military success this year came only two weeks ago, when a French-Chadian counterattack drove a large rebel force out of Ati, killing 80. France had earlier promised it would take decisive action to counter any rebel attempt to breach the Moussoro-Ati-Abeche defensive line it had established to protect the heavily populated southern portion of the country.

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25X1 [ ] The French Ambassador in Chad is said to fear that the rebels may launch additional attacks in order to increase the area they control before next week's peace talks. The rebels already hold more than half the country.

25X1 [ ] Libyan C-130 aircraft [ ]

25X1 [ ] flights have

25X1 [ ] evidently been carrying supplies to the rebels for a major offensive that French officials expect.

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#### ISRAEL: Political Pressures

25X1 [ ] *Israeli Prime Minister Begin has come under new and contradictory political pressures from the rightwing Gush Emunim*

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*settlement organization and the moderate Democratic Movement for Change, reflecting these groups' growing restiveness with his foreign policy.*

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[ ] The ultra-conservative Gush Emunim has steadily increased its pressure on Begin during the past few weeks to lift the moratorium on establishing new settlements on the West Bank and to set aside new areas for settlement projects, including land near large Arab population centers. Gush leaders threaten to mount a major propaganda campaign and may seek to mobilize their supporters in Begin's rightwing Herut faction of Likud and the hawkish youth wing of the National Religious Party to achieve this end.

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[ ] On the other side of the political spectrum, the executive council of the Democratic Movement for Change, the largest group in Begin's ruling coalition next to his own Likud bloc, overwhelmingly adopted a resolution earlier this week indicating that the party would review its participation in the government if it concluded that intransigence on Begin's part had obstructed chances for peace.

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[ ] The Democratic Movement argues that Israel's negotiating position should be based only on security considerations and concern for preserving the Jewish and democratic nature of the state. The party's resolution states that the government should not engage in "activities likely to create an atmosphere of mistrust" while peace talks are going on--a thinly veiled criticism of the government's mishandling of the settlements issue earlier this year--and that a resolution of the West Bank problem should not lead to a separate Palestinian state.

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[ ] The resolution was proposed by Transportation Minister Meir Amit, who has staked out a position as peacemaker between moderates and the Democratic Movement's more phlegmatic senior leadership. Amit, in fact, is seen by some in the party as a possible alternative to party leader Yigael Yadin.

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[ ] The party's resolution reflects growing dissatisfaction among party moderates with Begin's hard line on peace negotiations and also with Yadin's unwillingness to take a more assertive, moderating stance on peace issues. The resolution also represents an effort to restore the Democratic Movement's drastically eroding popularity. Indeed, a recent public opinion poll indicated that the party was supported by only 3 percent of the electorate, a sharp and potentially disastrous drop from the nearly 12 percent it won in the national election last year.



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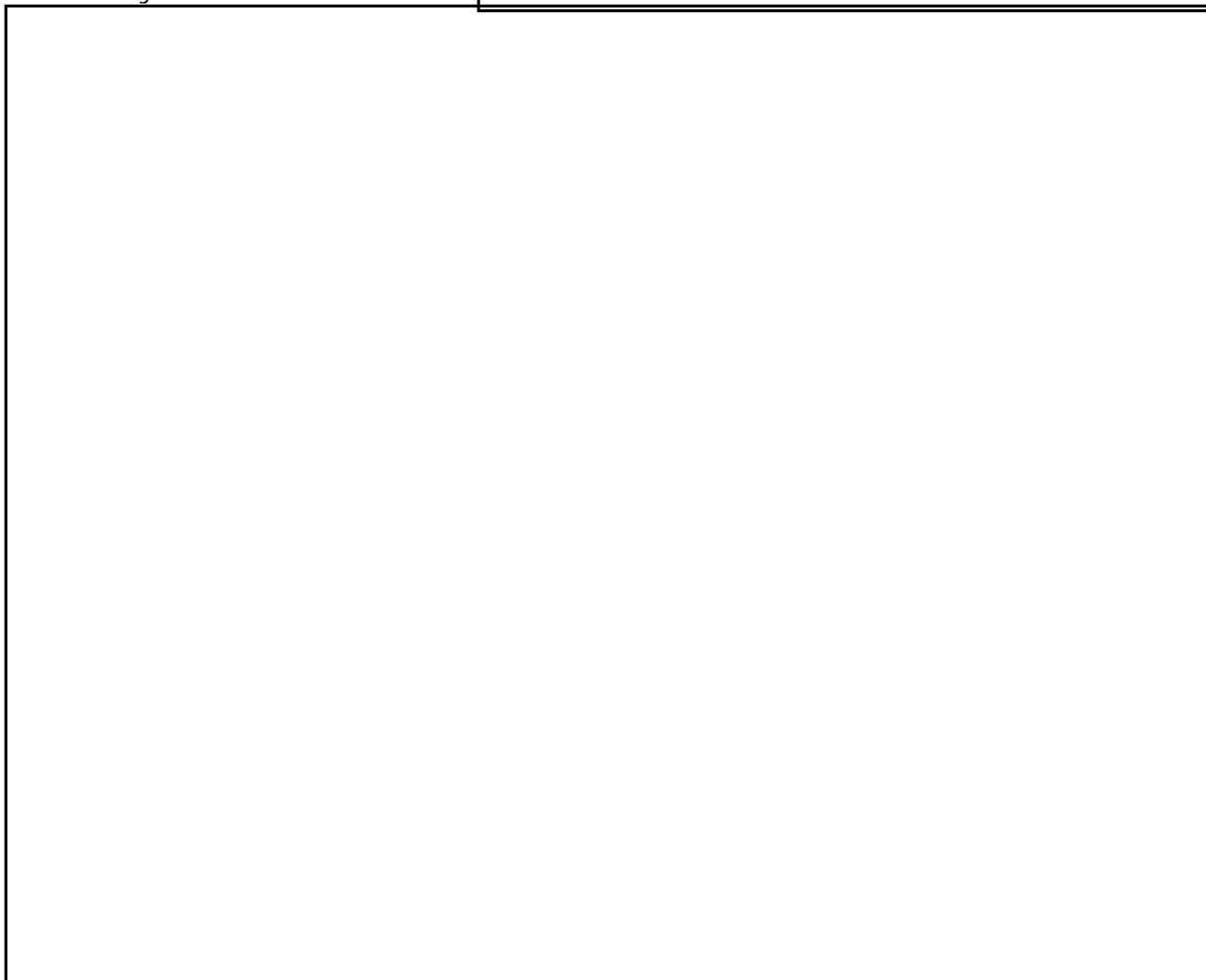
[ ] The language of the resolution nevertheless is relatively general and restrained. It does not appear to augur an early defection from the coalition, at least not before the party's internal election later this month at which the moderates hope to score significant gains.

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[ ] Yadin, for his part, abstained from voting on Amit's resolution, although he has stated publicly that he and other Democratic Movement cabinet ministers would resign from the government if Begin rejected Arab peace offers that the party considered reasonable. Yadin's remarks are in part probably a response to party pressure that he take a more assertive stand on negotiation matters.

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FREE WORLD: Cobalt Shortages

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*The suspension of cobalt production in Zaire has worsened an already serious shortage of the metal in the non-Communist world; output this year now seems likely to cover only half the demand. Prices have quadrupled since February. The US, with nearly two years' supply in strategic stockpiles, is better prepared than most Western countries to meet essential defense needs, but private stockpiles are extremely low in the US.*

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Cobalt is vital to the production of superalloys that resist stress and high temperatures. It is used in jet engine parts, drilling equipment, and a variety of tools and dies. Defense needs take up about a fifth of the cobalt used in the US.

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The USSR is nearly self-sufficient in cobalt production, but the US and most other Western countries are totally dependent on imports from a few suppliers. Zaire has normally supplied about 60 percent of Western demand. Other producers are Australia, Canada, the French island of New Caledonia, Morocco, and Zambia. Cobalt is usually found in association with copper or nickel.

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About 90 percent of Zaire's cobalt normally comes from Kolwezi, but the shortfall in production began well before the shutdown of the Kolwezi mines last month. Zairian cobalt output fell by 50 percent between 1974 and 1977. Bungling and wasteful mining and processing practices cost Zaire \$100 million in badly needed foreign exchange over this period.

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[ ] In 1976 and 1977, consumption of cobalt in the non-Communist world exceeded production by about 7,000 tons. By early this year, stocks had dropped dangerously and prices began to skyrocket.

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[ ] The shortages spurred expanded buying by the US and West European countries. The USSR entered the market in February and again in April; it is reported to have purchased 300 to 500 tons. On previous occasions, the USSR has bought similar amounts--about a tenth of Soviet consumption--to supplement domestic production.

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[ ] Private stocks of cobalt in the non-Communist world are now at a low ebb. Panic buying is under way in Western Europe.

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[ ] The lack of substitutes and the rising demand for products that use cobalt will prevent any early easing of the extremely tight market. Aircraft and drilling equipment firms face production delays as their cobalt stocks run out. Some form of rationing appears inevitable.

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[ ] If there is no cobalt production from Kolwezi for the rest of 1978, world output for the year would be about half of Western requirements. An all-out effort by other producers of cobalt is unlikely because of the tie to production of copper and nickel, both of which now face depressed world prices. [ ]

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#### SOUTH YEMEN: Political Rivalries

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[ ] //The longstanding rivalry between South Yemeni President Salim Rubayi Ali and the chief of the country's only legal political party, Abd al-Fattah Ismail, is apparently continuing. The revamping of the country's party structure, scheduled for later this year, may provide some clues about the relative strength of the two leaders.//

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[ ] President Ali is a leftist but is generally regarded as more pragmatic on both domestic and foreign affairs than

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Ismail, a doctrinaire Communist. The Soviet Union, South Yemen's chief patron, appears to be more comfortable dealing with Ismail than Ali. During the visit to Aden of Soviet Navy Commander-in-Chief Gorshkov two weeks ago, Gorshkov met with Ismail but apparently not with Ali.

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[redacted] South Yemen is preparing to transform the state's Unified National Front Political Organization into a so-called Vanguard Party. The South Yemenis appear to view the creation of a "party of the proletariat" as evidence of their country's political maturity. They may also see this as a way of tightening political discipline and of removing suspect party personnel.

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[redacted] There is no firm date for the establishment of the Vanguard Party, but it could emerge around the time of the celebrations planned for mid-October to mark the 15th anniversary of the outbreak of the revolution against British rule. Party, and perhaps governmental, personnel changes made at that time might shed some light on the status of the Ali-Ismail rivalry.

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EAST GERMANY: Rudolf Bahro Freed

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[redacted] East Germany will soon permit imprisoned dissident Rudolf Bahro to emigrate to West Germany, according to press reports yesterday.

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[redacted] The press reports note that Austrian Chancellor Kreisky and several West European Communist leaders have urged the East Germans to free Bahro. We do not know the terms of the release.

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[redacted] Bahro was arrested last August following the publication in West Germany of his scathing criticism of the East German regime calling for radical economic and political reforms within the Communist system. His critique particularly irritated the regime because of his longtime party membership, his familiarity with the economic system, and his refusal to recant.

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25X1 [redacted] The regime asserts that Bahro conspired with Western intelligence agencies--he is the only East German dissident to be held on such grounds. [redacted]

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25X1 [redacted]  
25X1 [redacted] The East Germans have probably decided to release Bahro in order to remove an irritant in relations with West Germany before a proposed meeting of Honecker and Chancellor Schmidt later this year. The regime presumably is also anxious to get rid of a troublesome dissident who has figured prominently in its relations with the West. The regime may also calculate that Bahro's release will be seen as a "humanitarian" gesture. [redacted]

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WESTERN EUROPE: DNA Research

25X1 [redacted] Some West European scientists engaged in controversial aspects of recombinant DNA research have moved to countries where controls on such research are loosely enforced. Public interest groups in France fear the spread of human disease as a result of the research projects, even though medical evidence indicates that the risk is almost nonexistent.

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25X1 [ ] Most West European countries have adopted guidelines similar to those established by the US National Institutes of Health, although in Switzerland compliance is voluntary and in West Germany there is little provision for oversight, particularly at the local level. France's guidelines are more lax than those of the US. These regulatory differences have led to an international relocation of scientists and, in some cases, of research facilities.

25X1 [ ] Four foreign companies have moved recombinant DNA research projects to laboratories in France. Some British scientists have relocated to West Germany, where not only are the DNA guidelines perceived to be more loosely enforced, but the pay scale in private industry is higher. Some British researchers have transferred experiments involving a cancer-causing virus to Switzerland.

25X1 [ ] Preliminary results of experiments assessing the risks of recombinant DNA research indicate that those countries with less strict enforcement of the guidelines are not risking the health of their citizens. Most scientists in both genetic research and medicine now believe the risks of all but certain specific types of recombinant DNA experiments are infinitesimal.

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#### COLOMBIA: Close Presidential Race

25X1 [ ] *A last-minute surge by Colombia's Conservative Party presidential nominee, Belisario Betancur, has shaken the Liberal Party's earlier estimates of a landslide victory for its front-running candidate, Julio Cesar Turbay, in the election tomorrow.*

25X1 [ ] Turbay's pedantic campaign style and his tendency to limit appearances to the large cities compare unfavorably with Betancur's relaxed, outgoing personality and his courting of votes in smaller population centers. Turbay's inability to resolve charges that he has been guilty of corruption has further contributed to the Conservatives' optimism that they have their best chance yet of staging an upset.

25X1 [ ] Although some Liberal leaders are apprehensive about the outcome, their party's traditional advantage in both membership and organization is still likely to provide the winning margin. Nevertheless, the growing euphoria in the Conservative

camp has served to jar the Liberals out of their complacency and they have joined the Conservatives in busily campaigning throughout the country in a final search for votes.

25X1 [ ] The only other major candidate, retired General Alvaro Valencia Tovar, continues to generate considerable popular enthusiasm. He lacks the organizational advantages of the two major parties, however, and is unlikely to have much of an impact on the main contest unless the race is very close.

25X1 [ ] The final results will probably not be known for several days. Police and security forces have been alerted and are prepared to handle any attempt by extremists to disrupt the election. Some isolated student protests are likely, particularly around the universities in the major cities, but these are not likely to get out of control. [ ]

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#### BRIEFS

##### Egypt

25X1 [ ] The Egyptian New Wafd Party responded to President Sadat's political crackdown by dissolving itself yesterday. Sadat had announced his intention to purge the party of its old guard leadership, which was politically active before the 1952 revolution.

25X1 [ ] Sadat had indicated, however, that he would allow the party itself--which he legalized in February--to continue functioning. By dissolving itself, the party hopes to put Sadat's actions in the worst possible light and to make the point with the Egyptian people that Sadat's liberalization program has become a sham.

25X1 [ ] The right-of-center New Wafd holds only about 30 of the 360 seats in the People's Assembly, but this probably understates its true appeal in Egypt. [ ]

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##### Jamaica

25X1 [ ] //Recent rumors that Jamaican Prime Minister Manley may be asked to step down by his party appear to have some substance although the chances of a successful move against him at this time seem relatively slim. Party moderates are said to have

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discussed a "dump Manley" effort at the next party council meeting, which may be held this weekend. Minister of Finance Eric Bell, a leading moderate, is said to believe that ousting Manley is a "definite possibility," depending partly on the position of Foreign Minister Patterson.//

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[REDACTED] //Discussion of a move against Manley reflects continued deep dissatisfaction within the party's mainstream over Manley's radical leanings as well as popular discontent with Jamaica's severe economic problems. [REDACTED]

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North Yemen

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[REDACTED] North Yemen's new cabinet, formed earlier this week, contains several new members but retains the previous Prime Minister and the key Ministers of Foreign Affairs, Interior, and Finance. The balance between representatives of the disparate northern and southern regions of the country remains similar to that of the previous cabinet, but future government appointments are likely to be weighted in favor of the conservative north from which President Ghashmi comes.

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China-Argentina

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[redacted] Argentina has agreed to export to China 800,000 to 1 million tons of grain (wheat and/or corn) and 25,000 tons of cotton in each of the next three years. This is the first long-term grain trade agreement China has signed since agreements in 1973 with Argentina, Australia, and Canada.

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[redacted] The previous three-year agreement with Argentina was negotiated in late 1973, but it was never signed and its provisions were not fulfilled. During 1974, the minimum contract tonnage was shipped, but Chinese grain imports during 1975 fell below the minimum. Argentina exported no grain to China in 1976. China also failed to purchase the minimum amounts covered by its three-year agreement with Australia.

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